

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4647-01  
Bill No.: SB 825  
Subject: Pharmacy; Health Care Professionals; Health Care; Health, Public  
Type: Original  
Date: February 15, 2010

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Bill Summary: Prohibits the substitution of anti-epileptic drugs under certain conditions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Road	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown exceeding \$100,000)</b>	<b>(Unknown exceeding \$100,000)</b>	<b>(Unknown exceeding \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration, Missouri Consolidated Health Care Plan, Department of Mental Health, Department of Health and Senior Services, and Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of the proposed legislation on their organization.

Officials from the **Department of Social Services** state Section 338.058.2 will not affect the reimbursement of anti-epileptic drugs for MO HealthNet participants.

Officials from the **Missouri Department of Transportation (DOT)** state IPC, their independent pharmaceutical consultant for the DOT/Missouri State Highway Patrol (MHP) Medical Plan, provided the following information.

Currently the Missouri Board of Pharmacy administers a generic substitution law. The current generic dispensing law allows for the Missouri citizens to obtain less expensive equivalent generic medications as soon as these generic become available. In addition, pharmacies are allowed to continue to manage the cost of these generic medications as they competitively shop different manufacturers for their generic medication supplies.

The DOT/MHP) benefit plan spent \$28,185,703 on prescription drugs in 2009. For every 1% change in generic claim coverage, the plan generally experiences about a 1% change in total drug costs to the plan. The plan's generic coverage rate in 2003 was 43.1%, 52.4% in 2005, 62.5% in 2007, 67.2% in 2008 and 69.1% for the year ending 2009.

In 2008, the DOT/MHP spent approximately \$832,643 on 8,832 claims for anticonvulsant medications with an average total claim cost of \$94.28. In 2009, the total amount spent for these medications was \$581,022 for 9,296 claims. The availability and utilization of generic medications to treat convulsions has actually resulted in a 30.2% decrease in cost even though there were 5.3% more claims than in 2008.

The DOT/MHP Medical Plan has a coinsurance of 30% paid by the participants for all prescription drugs after an annual deductible is met. If this legislation results in a decrease in generic substitution, it would be costly to the Plan and also to members who utilize these medications. The cost could be much greater than \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>ROAD FUND</b>			
<u>Costs - DOT</u>			
Increase in state share of prescription drug costs	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUND</b>	<u><b>(Unknown exceeding \$100,000)</b></u>	<u><b>(Unknown exceeding \$100,000)</b></u>	<u><b>(Unknown exceeding \$100,000)</b></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

The proposal may impact small business pharmacies if they have an increase in notifications for interchanging of anti-epileptic drugs.

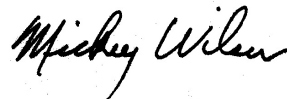
FISCAL DESCRIPTION

This proposal requires a pharmacist, pharmacist technician, or pharmacy intern to provide notification to the patient, a family member, other relative, or any other person identified by the patient before interchanging one manufacturer of an anti-epileptic drug for another manufacturer of an anti-epileptic drug in instances where the patient's epilepsy or seizures is currently being controlled on a specific drug, strength, dosage form, and dosing regimen from a specific manufacturer. The prescriber of the medication must also be notified prior to the interchange. This requirement shall not apply to prescriptions dispensed for inpatients of a hospital, a long-term care facility or inpatients of a mental health or residential facility.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions, and Professional Registration  
Department of Mental Health  
Department of Health and Senior Services  
Department of Social Services  
Missouri Department of Transportation  
Department of Public Safety -  
    Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation



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